

## REPORT FOLLOW-UP

**AGENCY: CORRECTIONAL INDUSTRIES**

On December 9, 2005, the Legislative Services Office released a Management Report on Internal Control for Correctional Industries for fiscal years 2004 and 2005. Correctional Industries was contacted on May 2, 2006, and this follow-up report addresses how it has responded to the one finding and recommendation contained in that report.

**STATUS OF RECOMMENDATIONS:**

**Finding #1** – Correctional Industries had no policy and, in some instances, no support for allowances and other reserves.

**We recommended that Correctional Industries review its accounting for allowances and reserves, and develop a policy for determining all allowances and reserves. The policy should explain when the allowances will be increased and decreased, as well as the basis for these increases and decreases. Compliance with its policy should be regularly monitored.**

**Status** – Correctional Industries has developed policies for its allowances and reserves, and is properly accounting for both. It is also monitoring and evaluating the allowances and reserves on an annual basis according to its policies. **CLOSED**